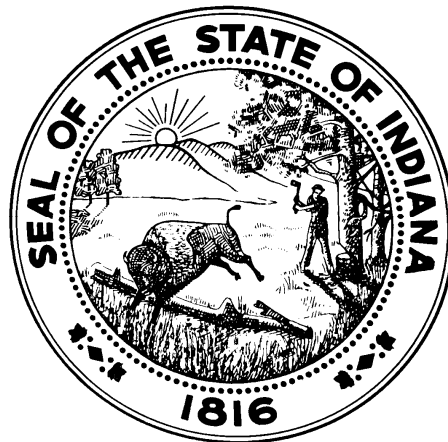


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

OAK HILL MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDERBURGH  
SCHOOL CORPORATION  
VANDERBURGH COUNTY, INDIANA  
July 1, 2005 to October 31, 2007



**FILED**

07/22/2008



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## SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Extra-Curricular Account Treasurer	Sheryl Loehr	07-01-05 to 06-30-08
Superintendent of Schools	Wendell B. McCandless Robert Yeager (Interim) Dr. Vincent M. Bertram	07-01-05 to 07-02-06 07-03-06 to 06-30-07 07-01-07 to 06-30-08
President of the School Board	William P. Asbury Christopher A. Kiefer Dana R. Willett	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07



# STATE OF INDIANA

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
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TO: THE OFFICIALS OF THE EVANSVILLE-VANDERBURGH SCHOOL CORPORATION

We have examined the records of the Oak Hill Middle School Extra-Curricular Account for the period from July 1, 2005 to October 31, 2007, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments.

STATE BOARD OF ACCOUNTS

December 20, 2007

OAK HILL MIDDLE SCHOOL EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDEBURGH SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

UNDEPOSITED RECEIPTS 2005-2006 AND 2006-2007

The Extra-Curricular Account Treasurer of Oak Hill Middle School did not transfer all Textbook Rental receipts to the Evansville-Vanderburgh School Corporation during the period audited, as required by local policy. The Extra-Curricular Account Treasurer receipted some of the Textbook Rental collections into other extra-curricular funds to account for fees and other collections that were never deposited. The Extra-Curricular Account Treasurer makes all bank deposits.

Interim receipts are issued by the teachers for funds collected from students. The teachers remit the interim receipts to the Extra-Curricular Account Treasurer with the money collected to be deposited. When the Extra-Curricular Account Treasurer receives the interim receipts and the money collected, the Extra-Curricular Treasurer totals the money and the interim receipts and prepares official receipts. The Extra-Curricular Account Treasurer would make the interim receipts composition of cash and checks agree to the official receipts and the deposit of cash and checks. However, the actual deposit would partially consist of textbook rental checks, when no receipts were posted to the Textbook Rental Fund, or there were more textbook rental checks deposited than were posted to the Textbook Rental Fund. Not all textbook rental receipts were transferred to the Evansville-Vanderburgh School Corporation Textbook Rental Fund account. However, only the amount of textbook rental actually posted to the Oak Hill Middle School Textbook Rental Fund was transferred to the Evansville-Vanderburgh School Corporation. Textbook rental receipts posted to other funds on the records of Oak Hill Middle School were not transferred to Evansville-Vanderburgh School Corporation.

The following example is a composition of the August 25, 2006, deposit.

	Composition of the Receipts Per Interim Receipts	Composition of the Deposit
Textbook Rental Fund	\$ -	\$ 7,302.65
Agenda and Locks Fund	2,722.55	105.00
Physical Education Fee Fund	4,489.00	1,149.25
Art Fee Fund	342.00	280.00
Social Studies Fee Fund	544.00	338.00
Science Fee Fund	290.00	298.00
Home Economics Fee Fund	52.00	54.00
Tech Fee Fund	450.00	226.00
Vocal Fee Fund	1,970.75	1,126.75
Cats Eye News Fund	491.00	-
Unknown	-	366.90
Deposit Adjustment	-	104.75
Totals	<u>\$ 11,351.30</u>	<u>\$ 11,351.30</u>

The Unknown caption above is cash that could not be identified to a specific fund. The Deposit Adjustment was an adjustment the bank needed to make the deposit balance. Textbook rental, which is usually paid by check, was identified by comparing the check amount to the textbook rental charges approved for each grade by the School Board. Various student fees are often paid in cash.

OAK HILL MIDDLE SCHOOL EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDEBURGH SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

All the Textbook Rental Receipt forms turned in to the School Corporation as paid for school years 2005-2006 and 2006-2007 were scheduled to identify the Textbook Rental collections received at Oak Hill Middle School. Shown below is a detail of all Textbook Rental collections for the school years indicated:

	<u>2005-2006</u>	<u>2006-2007</u>	<u>Total</u>
Total textbook rental collected according to TBR-2 receipts	\$ 71,208.64	\$ 79,783.90	
Receipted to Textbook Rental Fund	(62,666.38)	(63,921.94)	
Transferred to Special Education Fund	(1,575.60)	(2,741.80)	
Bad checks	<u>(477.75)</u>	<u>(522.00)</u>	
Total textbook rental collections not posted to textbook rental	<u>\$ 6,488.91</u>	<u>\$ 12,598.16</u>	<u>\$ 19,087.07</u>

Recording documented collections in the records as identified in our examination would increase the total record balance and result in undeposited receipts in the amount of \$19,087.07

We are requesting repayment of the undeposited receipts for the 2005-2006 and 2006-2007 school years in the amount of \$19,087.07 from the Oak Hill Middle School Extra-Curricular Account Treasurer, Sheryl Loehr. (See Summary, page 9)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

#### UNDEPOSITED RECEIPTS 2007-2008 COLLECTIONS

The Extra-Curricular Account Treasurer of the Oak Hill Middle School deposited some collections for the subsequent period of July 1, 2007 to October 31, 2007, but receipts were not prepared to identify six of the deposits. The six deposits were during the months of September and October 2007.

OAK HILL MIDDLE SCHOOL EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDERBURGH SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

School Corporation Officials went through the Extra-Curricular Account Treasurer's desk after the Extra-Curricular Account Treasurer was suspended on November 2, 2007, to gather all receipt information. All of the interim receipts (see previous Examination Result and Comment) were abstracted to show a composition of what should have been posted to each fund. All of the deposits were abstracted as to what was posted to each fund by identifying the descriptions on the checks from parents. The abstract of deposits showed several fees collected for which no interim receipts were prepared. We noted, in comparing the abstract of deposits to the abstract of interim receipts, that the total of the interim receipts exceeded the amount deposited.

Additionally, information was obtained from Paragon Promotions, Inc., concerning a fundraiser during July 1, 2007 to October 31, 2007. Invoices from Paragon Promotions, Inc., indicated a total of \$44,327.50 in sales. However, only Interim Receipts for the fundraiser totaling \$6,406 were presented for audit.

The schedule below summarizes the subsequent period Interim Receipts and deposits:

Total abstracted interim receipts	\$ 126,998.43
Deposits not accounted for by an interim receipt	7,922.42
Fundraiser collections without an interim receipt	<u>37,305.50</u>
Total interim receipts is all collections were properly recorded	172,226.35
Total deposits	(149,884.93)
Underdeposited receipts	<u><u>\$ 22,341.42</u></u>

Recording documented collections in the records as identified in our examination would increase the total record balance and result in undeposited receipts in the amount of \$22,341.42.

We are requesting repayment of the subsequent period undeposited receipts in the amount of \$22,341.42 from the Extra-Curricular Account Treasurer, Sheryl Loehr. (See Summary, page 9)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Indiana Code 5-13-6-1(c) states in part: "public funds deposited . . . shall be deposited in the same form in which they were received."

Funds misappropriated, diverted unaccounted form through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)



OAK HILL MIDDLE SCHOOL EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDEBURGH SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

ADDITIONAL AUDIT COSTS - MISSING FUNDS

Additional costs were incurred during the current examination due to textbook rental checks being substituted for cash from other fees. Additional examination costs totaled \$12,988.56.

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OFFICIAL BONDS

The Oak Hill Middle School Extra-Curricular Account Treasurer is covered by Indiana Public Employees Schedule Bond B80-463469 issued by the Cincinnati Insurance Company in the amount of \$10,000 for the period of July 1, 2005 to June 30, 2006 and Indiana Public Employees Schedule Bond B-8878700 issued by the Cincinnati Insurance Company in the amount of \$10,000 for the periods of July 1, 2006 to June 30, 2007 and July 1, 2007 to June 30, 2008.

OAK HILL MIDDLE SCHOOL EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDEBURGH SCHOOL CORPORATION  
EXIT CONFERENCE

Sheryl Loehr, Extra-Curricular Account Treasurer, failed to appear for the scheduled exit conference on December 20, 2007. Repeated attempts to schedule an exit conference with Sheryl Loehr and her attorney were unsuccessful.

OAK HILL MIDDLE SCHOOL EXTRA-CURRICULAR ACCOUNT  
EVANSVILLE-VANDERBURGH SCHOOL CORPORATION  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Sheryl Loehr, Extra-Curricular Treasurer:			
Undeposited Receipts 2005-2006			
and 2006-2007, pages 4 and 5	\$ 19,087.07	\$ -	\$ 19,087.07
Undeposited Receipts 2007-2008 Collections,			
pages 5 and 6	<u>22,341.42</u>	<u>-</u>	<u>22,341.42</u>
Totals	<u>\$ 41,428.49</u>	<u>\$ -</u>	<u>\$ 41,428.49</u>

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AFFIDAVIT

STATE OF INDIANA )  
 )  
 \_\_\_\_\_ COUNTY)

We, Alan C. Linneweber and Janice Braun, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Oak Hill Middle School Extra-Curricular Account, Evansville-Vanderburgh School Corporation, Vanderburgh County, Indiana, for the period from July 1, 2005 to October 31, 2007, is true and correct to the best of our knowledge and belief.

Alan C. Linneweber

Janice K. Braun  
Field Examiners

Subscribed and sworn to before me this 14 day of July, 2008.

Arrinda A. Pollock

Notary Public

My Commission Expires:

11/4/08

County of Residence:

Vanderburgh

ARRINDA A. POLLOCK  
Notary Public, Vanderburgh Co., IN  
My Comm. Expires Nov. 4, 2008

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AFFIDAVIT

STATE OF INDIANA )  
 )  
 \_\_\_\_\_ COUNTY)

I, Monte McComb, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Oak Hill Middle School Extra-Curricular Account, Evansville-Vanderburgh School Corporation, Vanderburgh County, Indiana, for the period from July 1, 2005 to October 31, 2007, is true and correct to the best of my knowledge and belief.

Mont C. McComb II  
Field Examiner

Subscribed and sworn to before me this 16<sup>th</sup> day of July, 2008.

Carol Westerman  
Notary Public

My Commission Expires: 12-4-09  
County of Residence: Franklin